The Real Estate ANALYST

APRIL 30, 1942

Roy Wenzlick
Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values.....Current Studies .... Surveys....Forecasts

Copyright 1942 by REAL ESTATE ANALYSTS, Inc. – Saint Louis

VOLUME XI

REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

THE FREEZING OF RENTS AND THE CONTROL OF INFLATION

RENT control has now passed from a theory to a practical problem in a large part of the United States. Through April 28 it had been announced for 323 defense areas of the United States, containing 86 million people. As the total non-farm population of the United States, according to the 1940 Census, was only 101 million people, 85% of the non-farm population are now subject to rent control provisions. In 238 of the 323 defense areas rents were ordered cut back to the levels of March 1, 1942; in 85 areas some earlier date was selected as the freezing level.

In all but 21 of the areas the announcement of rent control accompanied the announcement of price ceilings on virtually all types of prices. It followed the President's message to Congress and preceded by a few hours his radio talk to the nation.

All loyal Americans are in complete sympathy with the attempt to control inflation. This is certainly true of the owners of real estate. Should inflation get out of hand, they would suffer as the owners of real estate suffered in 1920-1923 in the wild inflation in Germany. No investment in wild inflation is an inflation hedge, and every one loses.

The owners of real estate will accept rent control with the same spirit which other groups have displayed when war measures became necessary which limited their business opportunities. The only complaint the President will hear from real estate owners will be the complaint that his measures are not sufficiently inclusive to prevent inflation.

His seven-point program, as he summarized it himself in his radio address, was as follows: (1) We must, through heavier taxes, keep personal and corporate profits at a low reasonable rate. (2) We must fix ceilings on prices and rents. (3) We must stabilize wages. (4) We must stabilize farm prices. (5) We must put more billions into war bonds. (6) We must ration all essential commodities which are scarce. (7) We must discourage installment buying and encourage paying off debts and mortgages.

On only two of the seven points did the President believe that additional legislation was necessary: to increase taxation on personal and corporate profits and to control farm prices.

We are strongly of the opinion that personal and corporation profits should be taxed quite heavily during the period of the emergency. We believe that the placing of a maximum limit of $25,000 per year as a net income for

any individual during the war period will cause more maladjustments than it will cure; however, it will only affect directly about 14,000 families in the United States as only this number could expect to have net incomes after taxes of as much as $25,000. Inflation cannot be prevented, however, by taxing very heavily 14,000 families. The spending power of these families has already been very severely impaired by present tax rates, and they would ordinarily buy far less in 1942 and 1943 than they did in 1940 and 1941. The real threat to prices comes from the rapid increase in purchasing power in the group having incomes of less than $2000 per year. This is the group, on the average, which during the next few years will have far more to spend than it has had in the past, with an aggregate demand far exceeding the supply of consumable goods. Unless a large portion of this increase in purchasing power is siphoned off, either in compulsory savings or in taxation, all efforts to control inflation will fail.

In our opinion the fundamental weakness of the President's plan is the failure of an adequate plan to stabilize wages and the failure to include any provision for compulsory savings.

A great deal can be said at the present time for a compulsory savings plan. On this basis every one would be forced to purchase defense bonds in proportion to his income, to be repaid after the close of the war. This would provide the necessary purchasing power after the war is over to bring about the quick conversion of industries to peace-time employment without serious unemployment in the conversion period.

Returning again to the subject of the freezing of rents, let us look at the Bureau of Labor Statistics figures on the cost of living in 33 cities. These figures are available from 1914 to the present. If these figures are

WE OBJECT

Before . . . 12,000,000 farmers and their families live in shacks like these. Wherever they are located, you will also find washed-out land, restless tenants, unhealthy children, and dejected farmers.

THE picture with the statement, "12,000,000 farmers and their families live in shacks like these," is reprinted from Public Housing (Vol. 3; No. 5), published by the Federal Public Housing Authority. The exaggeration involved in an effort to build a case for Government housing is apparent from the following census figures: In 1940 the total of all farm dwelling units, occupied and vacant, was 7,303,336. Even if every home needing major repairs looked like the picture, there were only 2,178,534 in this group. Only 16% of the farm homes were overcrowded, and 31% had electric light.

If Government subsidized housing is desirable, it should not be necessary to distort the facts concerning private housing in order to gain public acceptance for the idea.

related to a long-term average, 1921-1938 as a base, we find that in March the cost of living was 4.8% above this 18-year average; in contrast we find that rent was 14.3% below. The prices which farmers have been receiving for farm products are 20% above the 18-year average.

We would agree with the President wholeheartedly in his stand on parity prices for agriculture against the provisions of the present law, which provides prices 10% above parity. Food is the largest single item in the family budget, and the policy we have followed has brought about larger percentage increases in food prices than in any other item which enters into the budget. On this point, however, the President will find considerable opposition in Congress as the farm bloc is well organized and does not seem disposed to pass up the present national emergency as a means to further its own interests.

We think, however, that the President's message and radio address will constitute a good beginning to an inflation control. It is probably as much as the public is willing to take now. We are certain that much more will be necessary, and we think the crisis which will develop will probably bring a willingness to go the rest of the way.

BUILDING COSTS OF A STANDARD SIX ROOM FRAME RESIDENCE BUILT IN ST. LOUIS

The chart on p. 197 of the August 1940 Real Estate Analyst shows the variations in the costs of materials, labor and overhead for a six room frame residence in St. Louis. Floor plans and a picture of the house are shown with the chart. Costs are grouped into four classifications of material, four of labor and three of overhead. A further breakdown of these groups is given in detail below. Columns of the table are numbered. and a brief description of the items included in each is given in the paragraphs below. Paragraphs are numbered to correspond with the columns described. Building material costs are printed in black; the corresponding labor items are given in red. Overhead items - columns 13, 14, and 15 are also printed in black.

Group A.
(1) Mason Materials: Cement, sand, gravel, quick lime, hydrated lime, hard wall plaster, face and common brick, fire brick, flue lining. Labor.
(2) Tile Materials: 4¼ x 4¼ wall tile, ceramic floor tile, cap and base. Labor.
Group B:
(3) Unfinished Lumber: Columns, beams, floor and ceiling joists, interior and exterior studs, rafters, bracing, etc. Labor.
(4) Finished Lumber: Sub-flooring, sheathing, beveled siding, finished floors, asphalt shingle roofing, roofing felt, tar paper, shutters, etc. Labor.
(5) Mill Work: Windows, doors, trim, kitchen cabinet, stairs. Labor.
Group C:
(6) Heating: Boiler, insulating jackets, fittings, tools, pipes, connections, valves and radiation. Labor.
(7) Plumbing: Soil pipes and connections, stack, water pipe and connections, lead oakum and bathroom fixtures; hot water heater and tank to be furnished by others. Labor.
Group D:
(8) Sheet Metal: Galv. iron gutters, downspouts, flashing. Labor.
(9) Electrical Work: Main switch, BX cable, switch boxes, receptacles, transformer, etc. No fixtures included. Labor.
(10) Nails and Hardware: Common and wire nails, bolts, damper, ash doors, finish hardware.
(11) Paint Materials: White lead, linseed oil, turpentine. Labor.
(12) Misc.: Metal & wood laths, corner bead, insulation. Labor.
Group E:
(13) Overhead and profit of subcontractors in plastering, metal work, heating, plumbing, electrical work and tile work.
(14) General contractor's profit.
(15) Missouri sales tax (now 2% on materials), old age and unemployment tax (federal and state), liability and employees' compensation insurance, fire and tornado insurance, completion bond.
(16) TOTAL CONSTRUCTION COST.

*No labor items are shown in column 13, Building Hardware, as they have already been included in column 5, Mill Work.

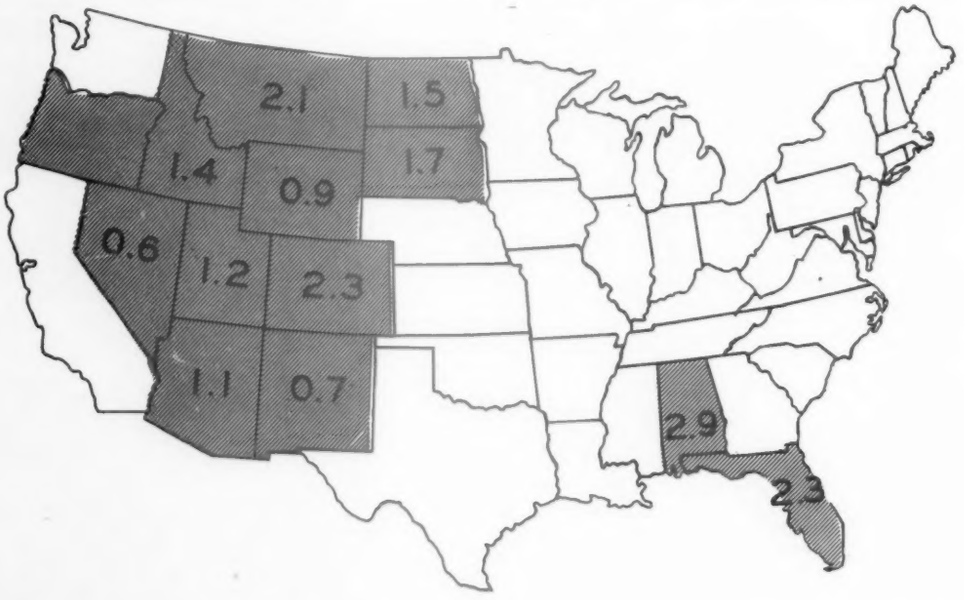
	GROUP A				GROUP B					GROUP C				GROUP D							GROUP E			TOTAL
YEAR	(1)		(2)		(3)		(4)		(5)	(6)		(7)		(8)		(9)		(10)	(11)		(12)	(13)	(14)	(15)	(16)
J1 1939	$516	$561	$103	$77	$346	$164	$639	$219	$508	$198	$239	$160	$271	$131	$46	$19	$26	$57	$64 *	$29	$116	$191	$61	$346	$507	$329	$5923
O 1939	510	561	103	77	395	164	713	219	509	198	239	160	285	131	52	19	29	57	65	30	116	193	61	353	522	335	6096
Ja 1940	510	538	103	77	374	158	679	215	567	195	236	160	282	131	58	17	32	57	65	30	93	193	61	352	516	327	6005
Ap 1940	510	538	103	77	371	158	651	215	566	195	236	160	285	131	63	17	35	57	65	30	93	193	61	352	516	327	6004
J1 1940	510	538	103	77	371	158	651	215	566	195	236	160	285	131	63	17	35	57	65	30	93	193	61	352	516	327	6004
Ag 1940	510	556	103	77	415	158	735	215	604	195	236	160	285	161	63	17	31	57	66	30	93	201	69	361	540	341	6278
S 1940	510	556	145	77	448	158	736	215	604	195	236	160	301	161	63	17	31	57	66	30	93	195	69	379	551	345	6400
O 1940	510	542	145	86	494	162	763	218	628	197	254	160	294	161	63	17	31	57	66	32	93	203	75	385	564	351	6551
N 1940	510	542	145	86	493	162	805	218	646	197	254	160	295	161	62	17	27	57	66	32	93	203	75	385	569	351	6611
D 1940	510	640	145	86	493	182	805	243	645	219	242	160	266	161	62	19	27	58	66	32	104	203	78	380	585	375	6786
Ja 1941	515	640	145	86	493	182	808	243	645	219	242	160	266	161	62	19	28	58	67	33	104	203	78	380	585	375	6797
F 1941	515	639	145	86	493	182	753	243	633	219	251	180	269	149	62	19	28	63	69	33	131	203	78	387	583	376	6789
Mr 1941	487	639	145	86	465	182	748	243	633	219	251	180	269	149	62	19	28	63	69	33	131	202	79	388	577	374	6721
Ap 1941	487	639	159	86	463	182	771	243	633	219	251	180	274	149	62	19	28	63	69	33	131	202	79	396	581	376	6775
My 1941	508	639	159	86	448	197	732	265	635	240	250	180	274	149	62	19	23	63	72	33	131	205	79	396	585	381	6811
Je 1941	510	639	159	86	441	201	785	268	635	242	250	180	274	149	73	19	25	63	72	33	131	203	79	396	591	384	6888
J1 1941	510	650	159	86	553	220	802	279	635	252	250	180	274	149	90	19	27	63	72	34	131	220	79	396	613	397	7142
Ag 1941	510	650	159	86	574	220	845	279	689	252	262	180	292	149	90	19	27	63	72	34	131	220	79	406	629	400	7317
S 1941	514	678	159	86	563	226	865	303	689	274	262	200	289	187	106	29	33	72	79	35	131	221	79	433	649	422	7584
O 1941	514	678	159	86	544	226	861	303	689	274	262	200	289	187	106	29	34	72	80	35	145	227	79	433	650	422	7584
N 1941	514	678	159	86	535	226	866	303	689	274	262	200	289	187	106	29	39	72	79	35	145	227	79	433	650	422	7584
D 1941	514	678	159	86	535	231	847	305	689	275	262	200	298	187	106	29	44	72	79	35	145	229	79	434	651	423	7592
Ja 1941	514	696	175	86	536	231	854	305	689	275	262	200	314	187	64	29	48	72	79	35	145	229	81	431	653	423	7617
F 1941	514	696	175	86	540	231	868	305	715	275	262	200	324	187	64	29	49	72	79	37	145	229	81	433	660	424	7682
Mr 1941	520	696	175	86	540	231	874	305	715	275	262	200	323	187	64	29	49	72	79	38	145	229	81	433	661	424	7695
Ap 1941	520	696	175	86	547	231	876	305	715	275	273	200	317	187	64	29	50	72	79	38	145	229	81	433	663	424	7712

WAR EXPENDITURES

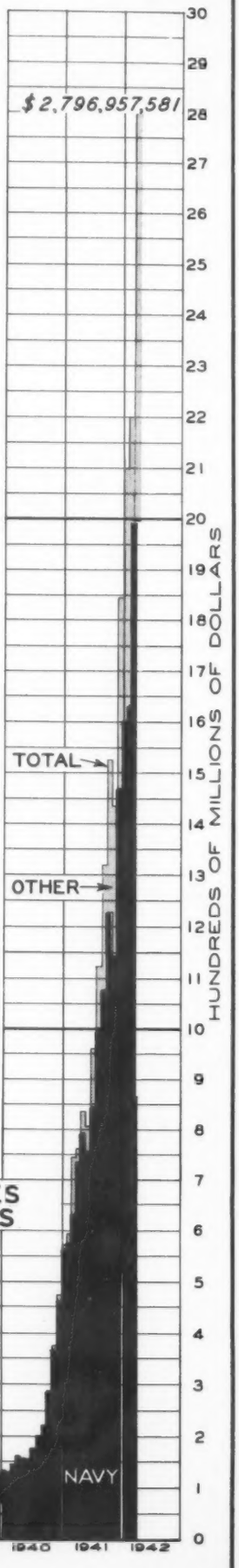
DURING March actual war expenditures reached a new high of $2,800 million for the month. This is approximately equivalent to the total wealth of the state of Alabama. The President in his talk to the nation on April 28 said that by the end of the year war expenditures would amount to $200 million a day or $6 billion a month. During 1943 they will be even higher. These figures do not include the cost of government, either federal and state or local.

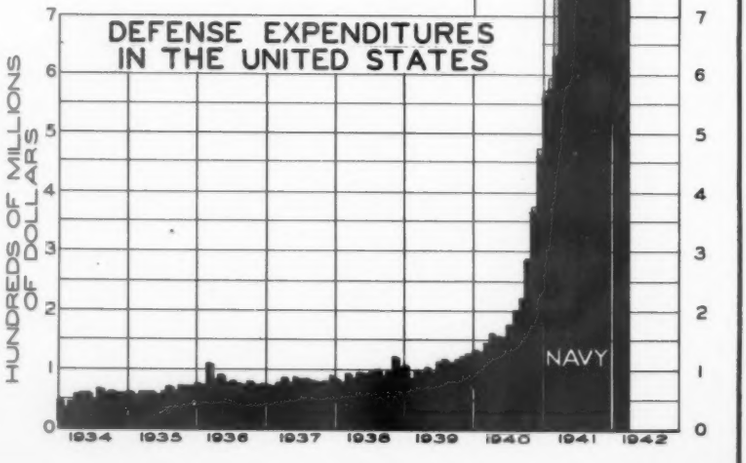
On the map below we have attempted to visualize the dollar amounts of actual defense expenditures, July 1, 1940, through March 1942. These expenditures are equivalent to the estimated total wealth of the thirteen states shown on the map below. The large figures on each state show the estimated wealth of that state in billions of dollars. Estimated wealth includes real estate, railroads and other public utilities, and everything of value in the state. By April 1943 our war expenditures will have been equivalent to the combined wealth of all of the states west of the Mississippi.

As stated before, these illustrations are not given with



the intention of criticizing our foreign policy. We believe that it is imperative that our armed forces be prepared as rapidly and as completely as possible. By these illustrations, however, we are trying to emphasize the tremendous problem of trying to prevent a high degree of inflation. We believe that a reasonable degree of inflation is inevitable and that this inflation will eventually affect real estate value to a marked degree.



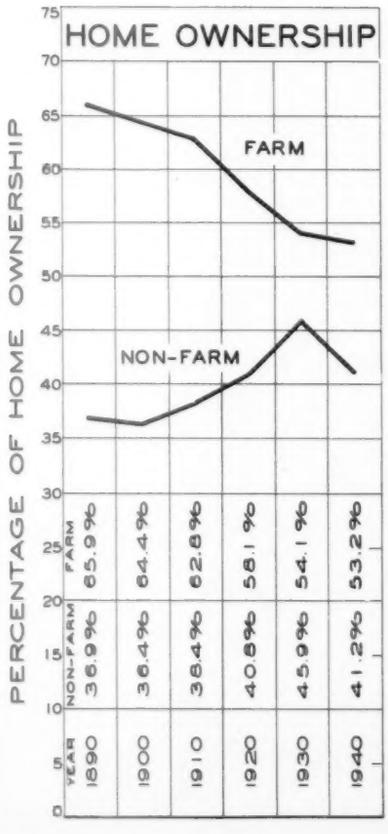


HOME OWNERSHIP DECREASES

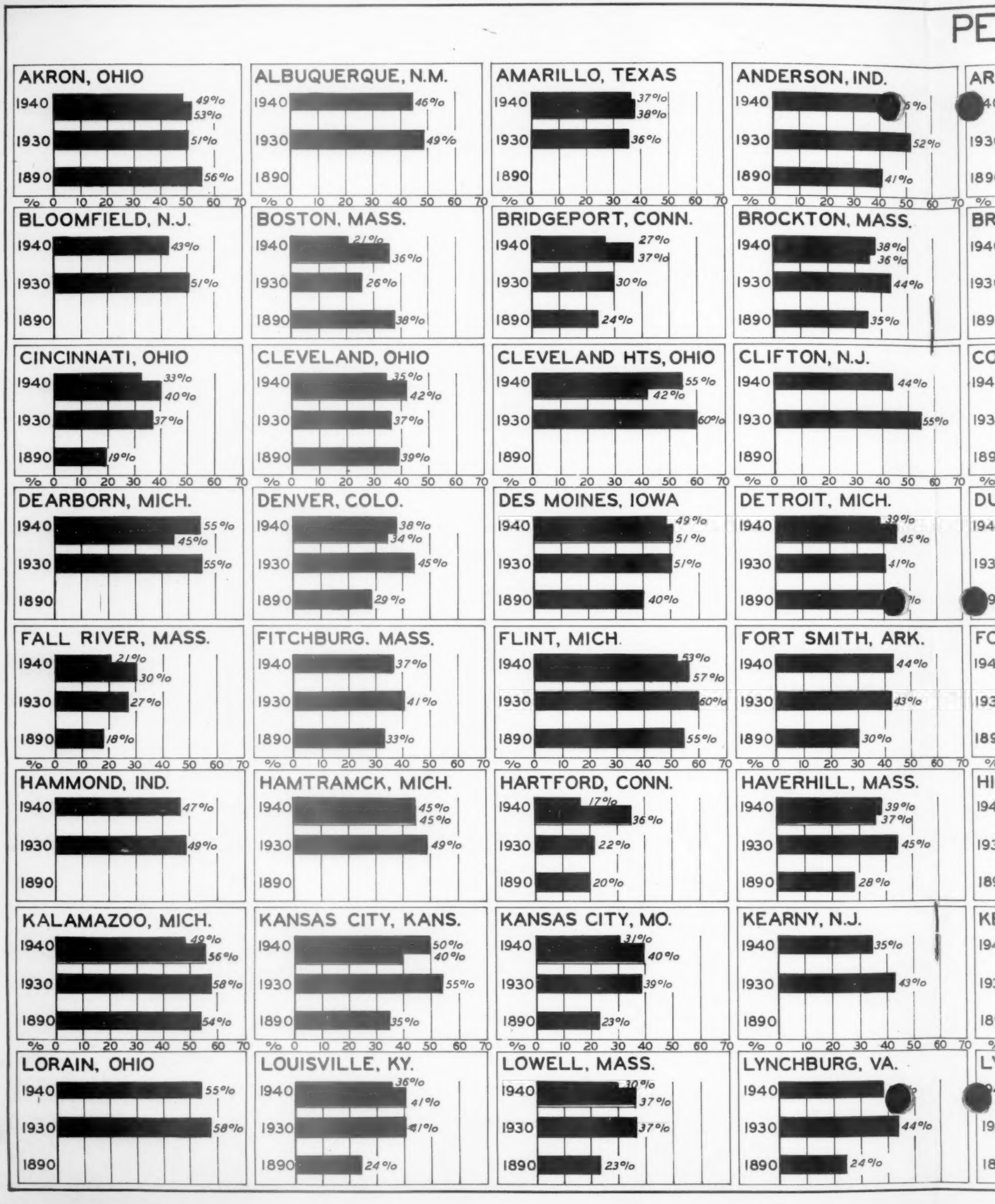
A large percentage of home ownership is essential to any successful government by the people. Wtihout it the "have nots" can only be restrained by limiting their political power in such a way that democracy is destroyed. With it no restraint is necessary as, having a stake in the "status quo," they are vitally concerned in any changes that may affect it. The home owner makes a better citizen and a better citizen makes a better nation.

Home ownership in the United States since 1890 has followed two distinct trends. On the farm home ownership has decreased steadily, each succeeding census showing a smaller percentage of owner occupied farms. In non-farm areas home ownership increased rapidly from 1900 to 1930 but decreased from 1930 to 1940. The chart below shows the trends of both farm and non-farm home ownership by census periods since 1890.

On pages 120 to 127 in this report we have charted in black home ownership by cities for 1890, 1930 and 1940. The cities in the states of New York, Pennsylvania, Illinois and California are not included as the figures on these cities will not be released by the Bureau of the Census until the latter part of May or sometime in June. As soon as they are available, they will be charted in the same fashion. The red bar and figures which appear on some of the charts show the percentage of home ownership in 1940 for the metropolitan area of which the specific city forms a part. In a number of cases several cities are shown on the chart all of which are in the same metropolitan area. This is true, for instance, of the Boston metropolitan area. Twenty communities are charted separately but the percentage of home ownership in the Boston metropolitan area is duplicated on each chart by the red bar and figures. Metropolitan area (city and suburbs) figures on home ownership were not available before 1940.

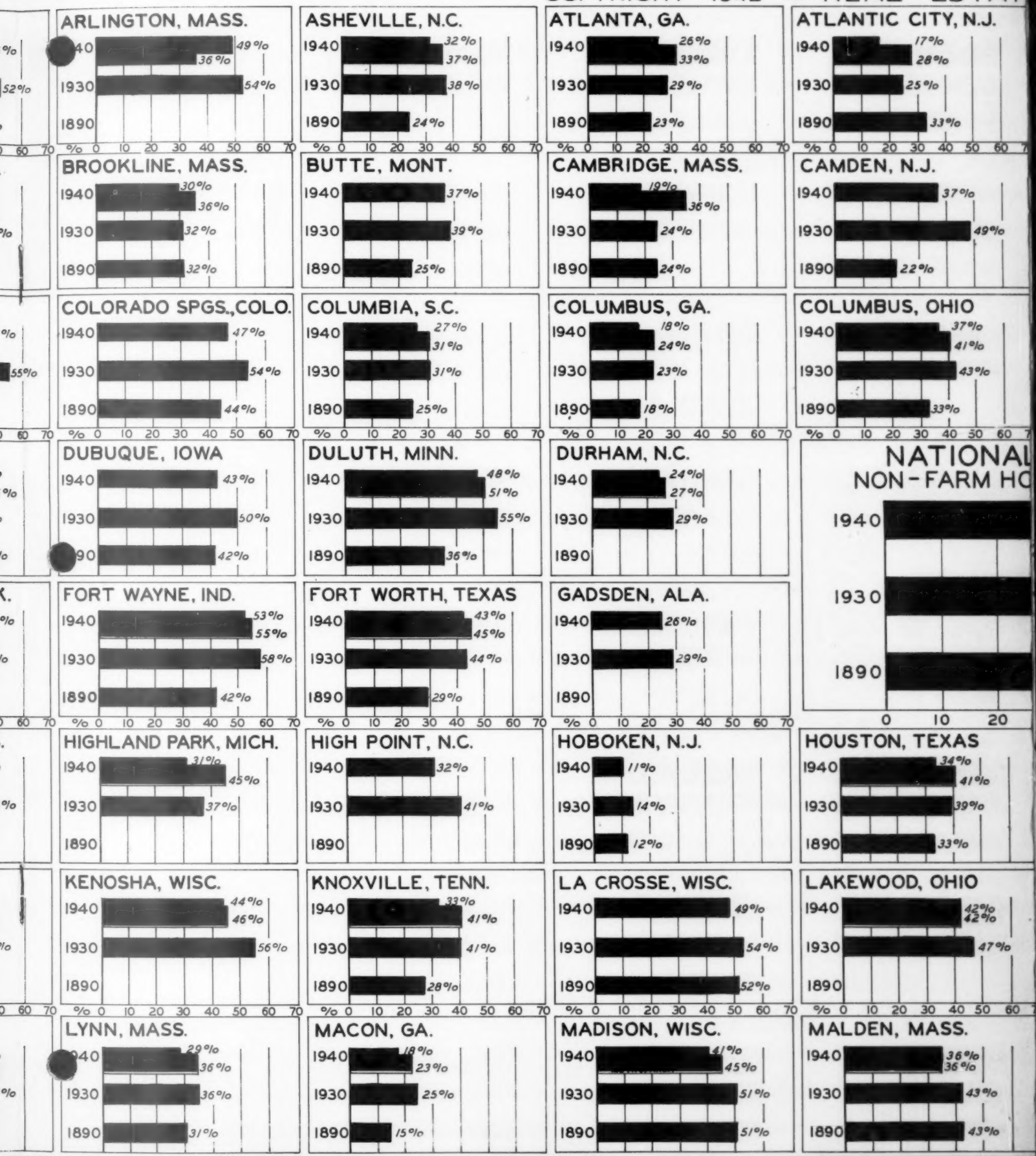


There is a wide difference in the percentage of home ownership in different metropolitan areas. The Saginaw-Bay City metropolitan area (population 153,-388), with 62.6% of its homes owner occupied, leads all of the metropolitan areas in the forty-four states now tabulated. Charleston, South Carolina, metropolitan area (population 98,711), with 22.7% owner occupied, has the lowest percentage of any metropolitan area. The metropolitan area of Salt Lake City has the largest percentage, 55.9%, of any area of more than two hundred thousand people. The metropolitan area of Tacoma (population 156,018) ranks second in the forty-four states with 60.0% and Spokane (population 141,370) ranks third with 56.8%. Almost without exception metropolitan area percentages are higher than the figures for the city proper. This is because of the greater percentage of home ownership in the suburbs and the fact that most multifamily buildings are in the city proper. The following are the states with an urban home ownership greater than the national average: Ariz., Ark., Cal., Col., Del., Fla., Id., Ind., Ia., Kans., Ky., Me., Md., Mich.,Minn., Mont., Neb., Nev., N.H., N.M.,N.D., Ohio, Okla.,Ore., Penn.,S.D., Tex., Utah, Vt., Wash., W.Va., Wis., Wyo.; all other states are below.


AKRON, OHIO
1940 49% 53%
1930 51%
1890 56%
ALBUQUERQUE, N.M.
1940 46%
1930 49%
1890
AMARILLO, TEXAS
1940 37% 38%
1930 36%
1890
ANDERSON, IND.
1940 5%
1930 52%
1890 41%
BLOOMFIELD, N.J.
1940 43%
1930 51%
1890
BOSTON, MASS.
1940 21% 36%
1930 26%
1890 38%
BRIDGEPORT, CONN.
1940 27% 37%
1930 30%
1890 24%
BROCKTON, MASS.
1940 38% 36%
1930 44%
1890 35%
CINCINNATI, OHIO
1940 33% 40%
1930 37%
1890 19%
CLEVELAND, OHIO
1940 35% 42%
1930 37%
1890 39%
CLEVELAND HTS, OHIO
1940 55% 42%
1930 60%
1890
CLIFTON, N.J.
1940 44%
1930 55%
1890
DEARBORN, MICH.
1940 55% 45%
1930 55%
1890
DENVER, COLO.
1940 38% 34%
1930 45%
1890 29%
DES MOINES, IOWA
1940 49% 51%
1930 51%
1890 40%
DETROIT, MICH.
1940 39% 45%
1930 41%
1890
FALL RIVER, MASS.
1940 21% 30%
1930 27%
1890 18%
FITCHBURG, MASS.
1940 37%
1930 41%
1890 33%
FLINT, MICH.
1940 53% 57%
1930 60%
1890 55%
FORT SMITH, ARK.
1940 44%
1930 43%
1890 30%
HAMMOND, IND.
1940 47%
1930 49%
1890
HAMTRAMCK, MICH.
1940 45% 45%
1930 49%
1890
HARTFORD, CONN.
1940 17% 36%
1930 22%
1890 20%
HAVERHILL, MASS.
1940 39% 37%
1930 45%
1890 28%
KALAMAZOO, MICH.
1940 49% 56%
1930 58%
1890 54%
KANSAS CITY, KANS.
1940 50% 40%
1930 55%
1890 35%
KANSAS CITY, MO.
1940 31% 40%
1930 39%
1890 23%
KEARNY, N.J.
1940 35%
1930 43%
1890
LORAIN, OHIO
1940 55%
1930 58%
1890
LOUISVILLE, KY.
1940 36% 41%
1930 41%
1890 24%
LOWELL, MASS.
1940 30% 37%
1930 37%
1890 23%
LYNCHBURG, VA.
1940
1930 44%
1890 24%
% 0 10 20 30 40 50 60 70

PERCENTAGE OF OWNER OCCUPIED HOMES

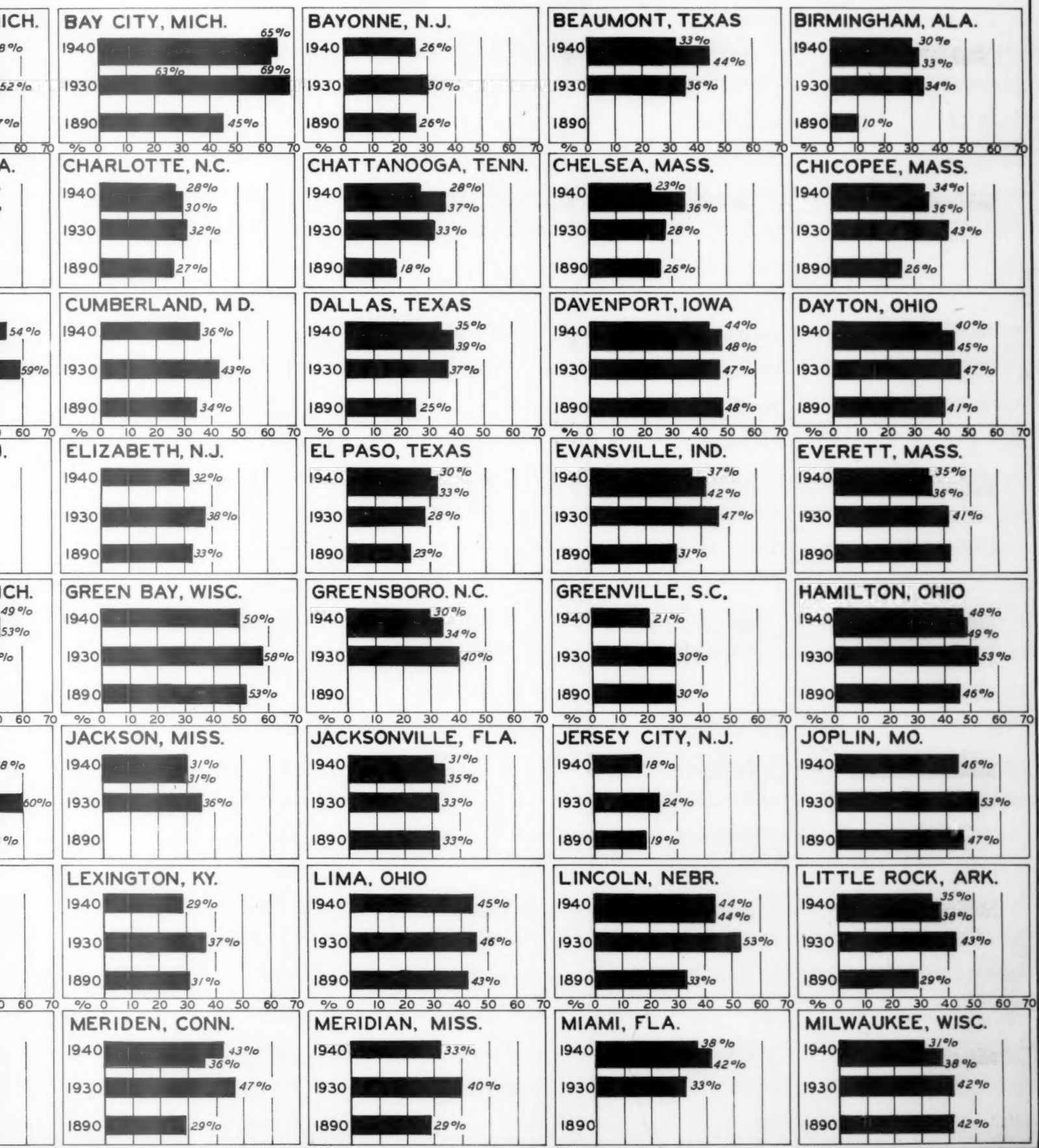
COPYRIGHT 1942 ~ REAL ESTAT



MES IN 220 MAJOR CITIES 1890, 1930 AND 1940

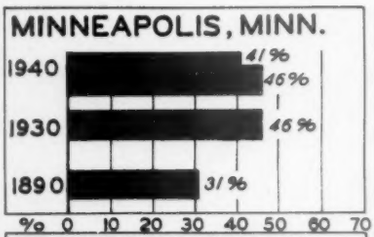
ESTATE ANALYSTS, INC. ~ SAINT LOUIS

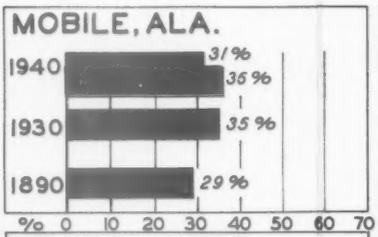
940

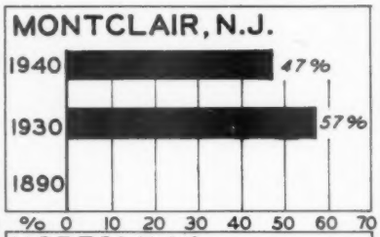

BAY CITY, MICH.
1940 65% 63%
1930 69%
1890 45%
BAYONNE, N.J.
1940 26%
1930 30%
1890 26%
BEAUMONT, TEXAS
1940 33% 44%
1930 36%
1890
BIRMINGHAM, ALA.
1940 30% 33%
1930 34%
1890 10%
CHARLOTTE, N.C.
1940 28% 30%
1930 32%
1890 27%
CHATTANOOGA, TENN.
1940 28% 37%
1930 33%
1890 18%
CHELSEA, MASS.
1940 23% 36%
1930 28%
1890 26%
CHICOPEE, MASS.
1940 34% 36%
1930 43%
1890 26%
CUMBERLAND, M D.
1940 36%
1930 43%
1890 34%
DALLAS, TEXAS
1940 35% 39%
1930 37%
1890 25%
DAVENPORT, IOWA
1940 44% 48%
1930 47%
1890 48%
DAYTON, OHIO
1940 40% 45%
1930 47%
1890 41%
ELIZABETH, N.J.
1940 32%
1930 38%
1890 33%
EL PASO, TEXAS
1940 30% 33%
1930 28%
1890 23%
EVANSVILLE, IND.
1940 37% 42%
1930 47%
1890 31%
EVERETT, MASS.
1940 35% 36%
1930 41%
1890
GREEN BAY, WISC.
1940 50%
1930 58%
1890 53%
GREENSBORO. N.C.
1940 30% 34%
1930 40%
1890
GREENVILLE, S.C.
1940 21%
1930 30%
1890 30%
HAMILTON, OHIO
1940 48% 49%
1930 53%
1890 46%
JACKSON, MISS.
1940 31% 31%
1930 36%
1890
JACKSONVILLE, FLA.
1940 31% 35%
1930 33%
1890 33%
JERSEY CITY, N.J.
1940 18%
1930 24%
1890 19%
JOPLIN, MO.
1940 46%
1930 53%
1890 47%
LEXINGTON, KY.
1940 29%
1930 37%
1890 31%
LIMA, OHIO
1940 45%
1930 46%
1890 43%
LINCOLN, NEBR.
1940 44% 44%
1930 53%
1890 33%
LITTLE ROCK, ARK.
1940 35% 38%
1930 43%
1890 29%
MERIDEN, CONN.
1940 43% 36%
1930 47%
1890 29%
MERIDIAN, MISS.
1940 33%
1930 40%
1890 29%
MIAMI, FLA.
1940 38% 42%
1930 33%
1890
MILWAUKEE, WISC.
1940 31% 38%
1930 42%
1890 42%
% 0 10 20 30 40 50 60 70

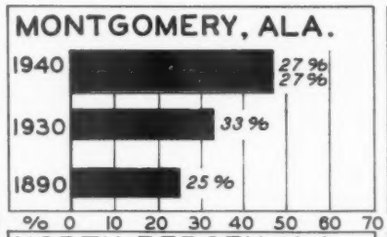
PERCENTAGE OF OWNER

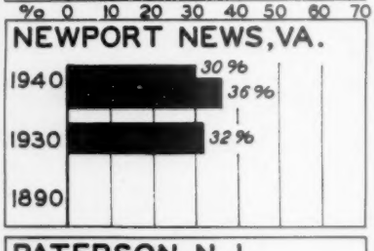
CO

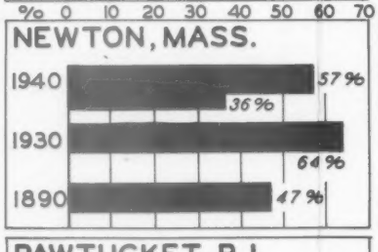


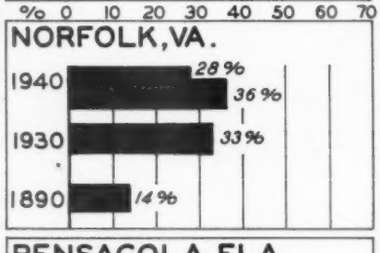


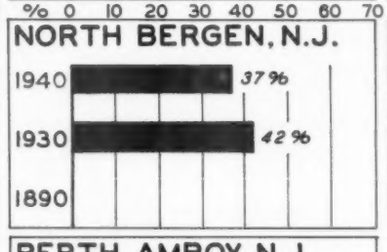


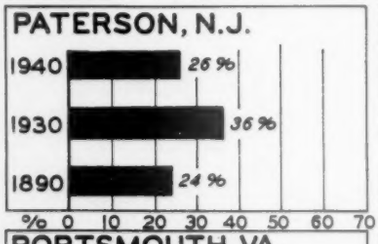


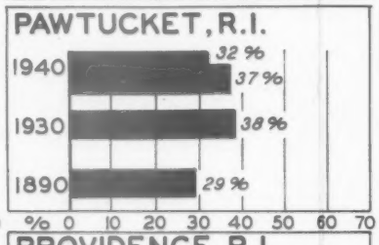


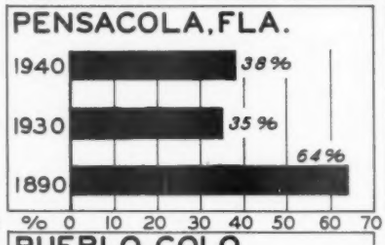


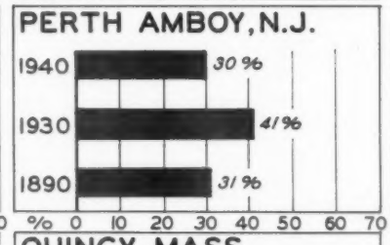


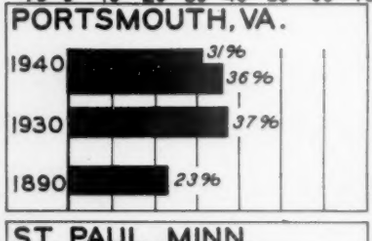


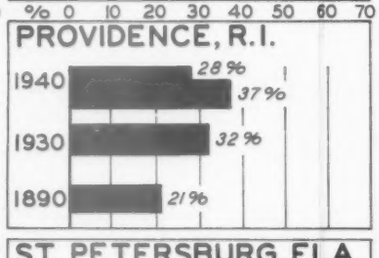


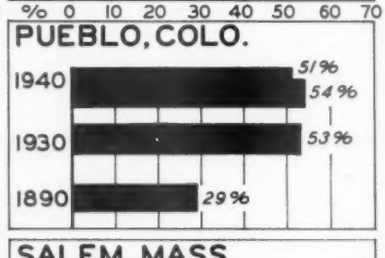


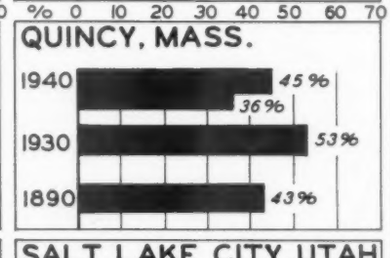


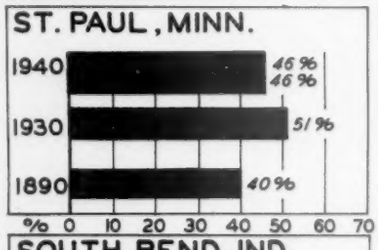


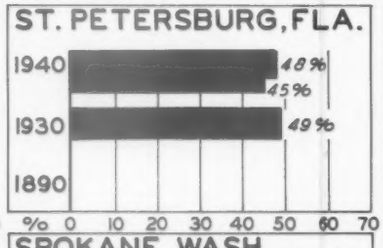


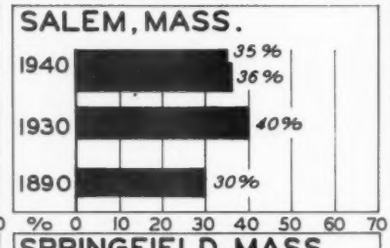


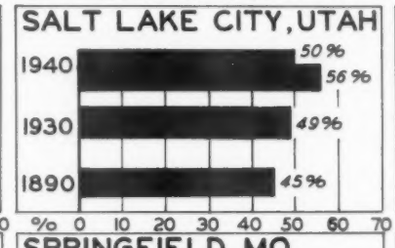


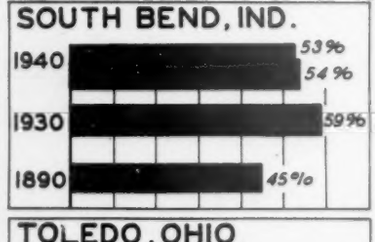


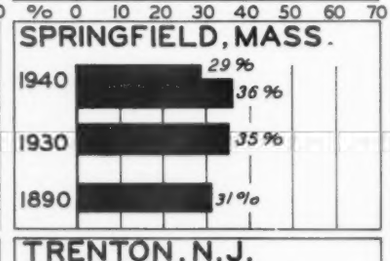


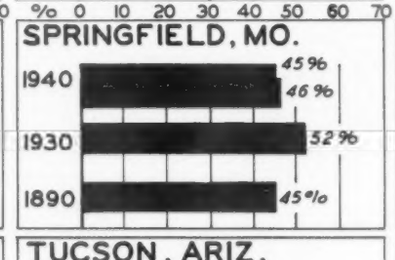


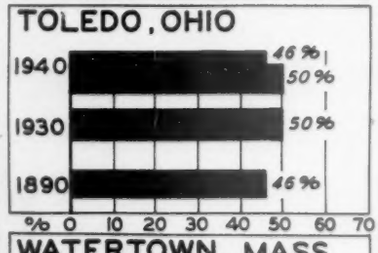


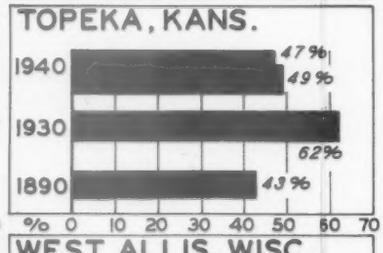


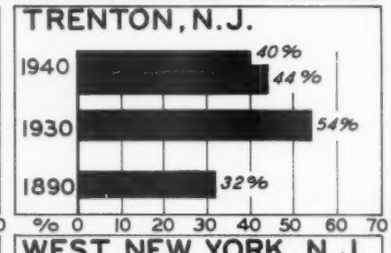


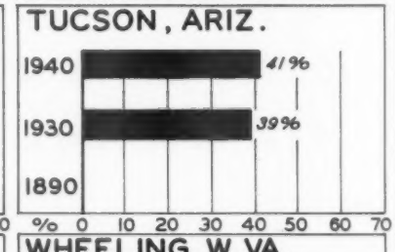


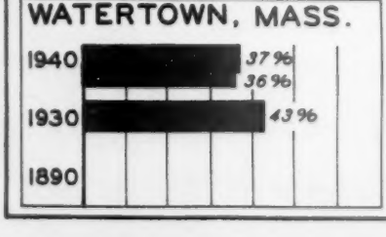


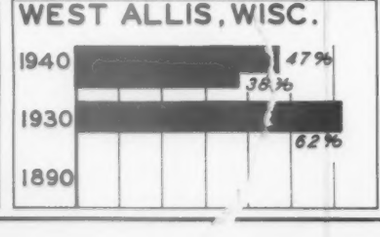


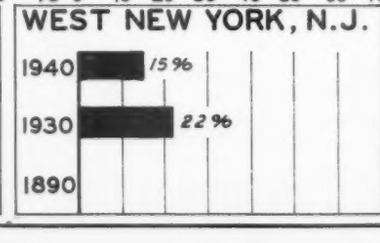


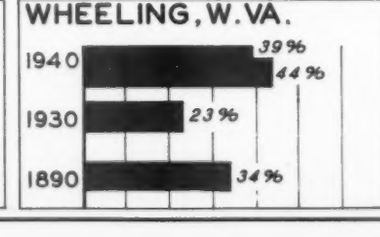






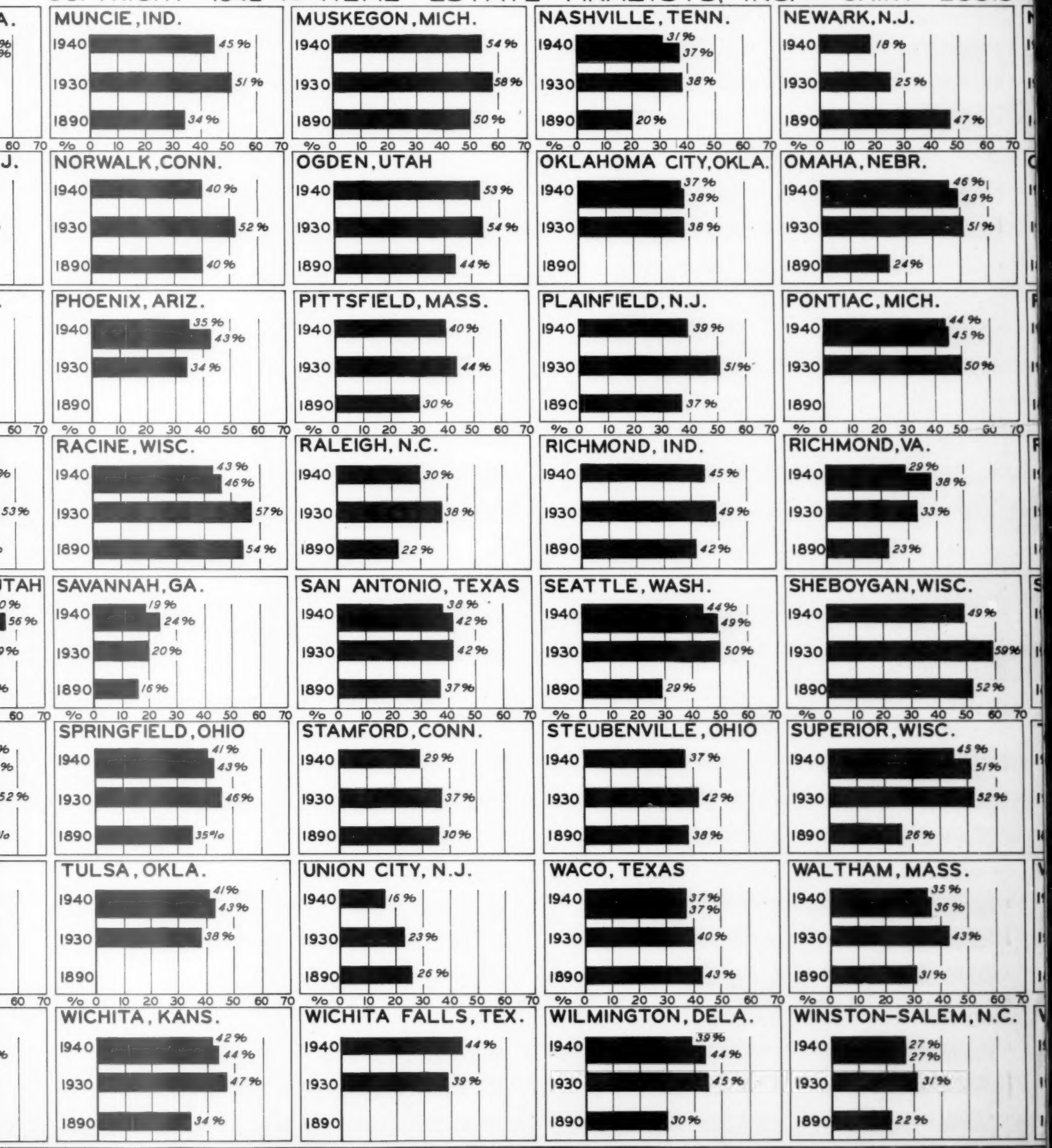




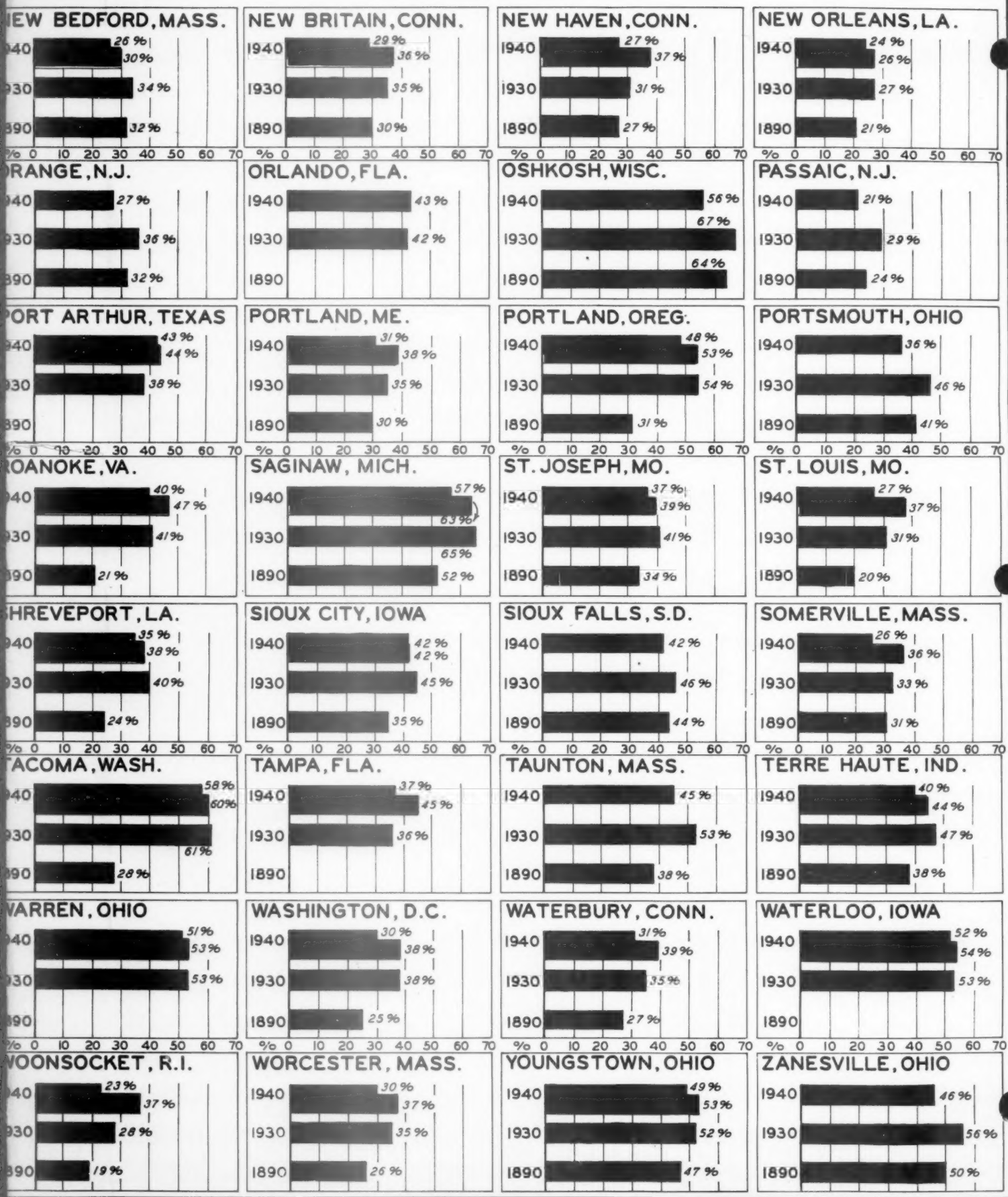


WNER OCCUPIED HOMES IN 220 MAJOR CITIES

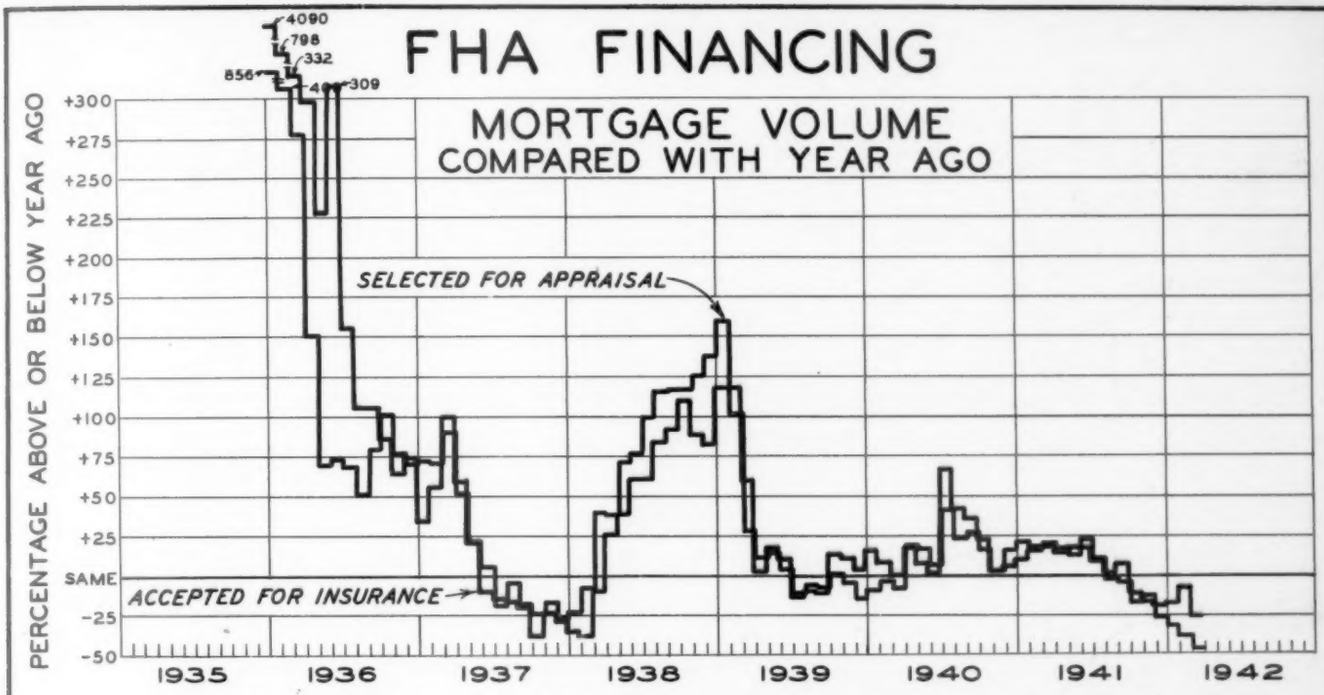
COPYRIGHT 1942 ~ REAL ESTATE ANALYSTS, INC. ~ SAINT LOUIS



1890, 1930 AND 1940



FHA FINANCING



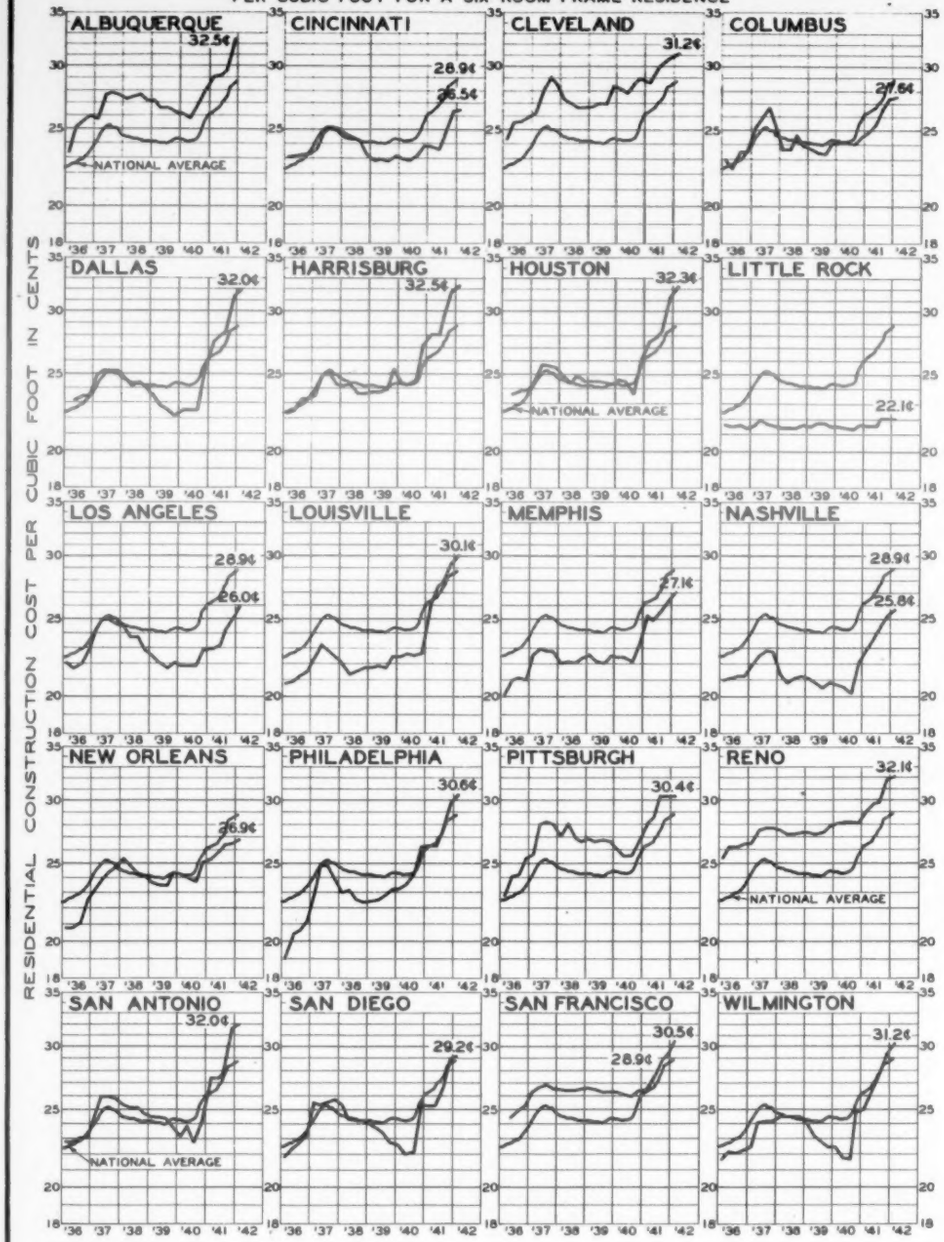
THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

The table below shows advertised residential rent figures. All rents are expressed in dollars per month per room. This makes possible a comparison of rent levels between different cities, and in the same city between heated and unheated units. The twenty-six cities selected are typical cities scattered from coast to coast.

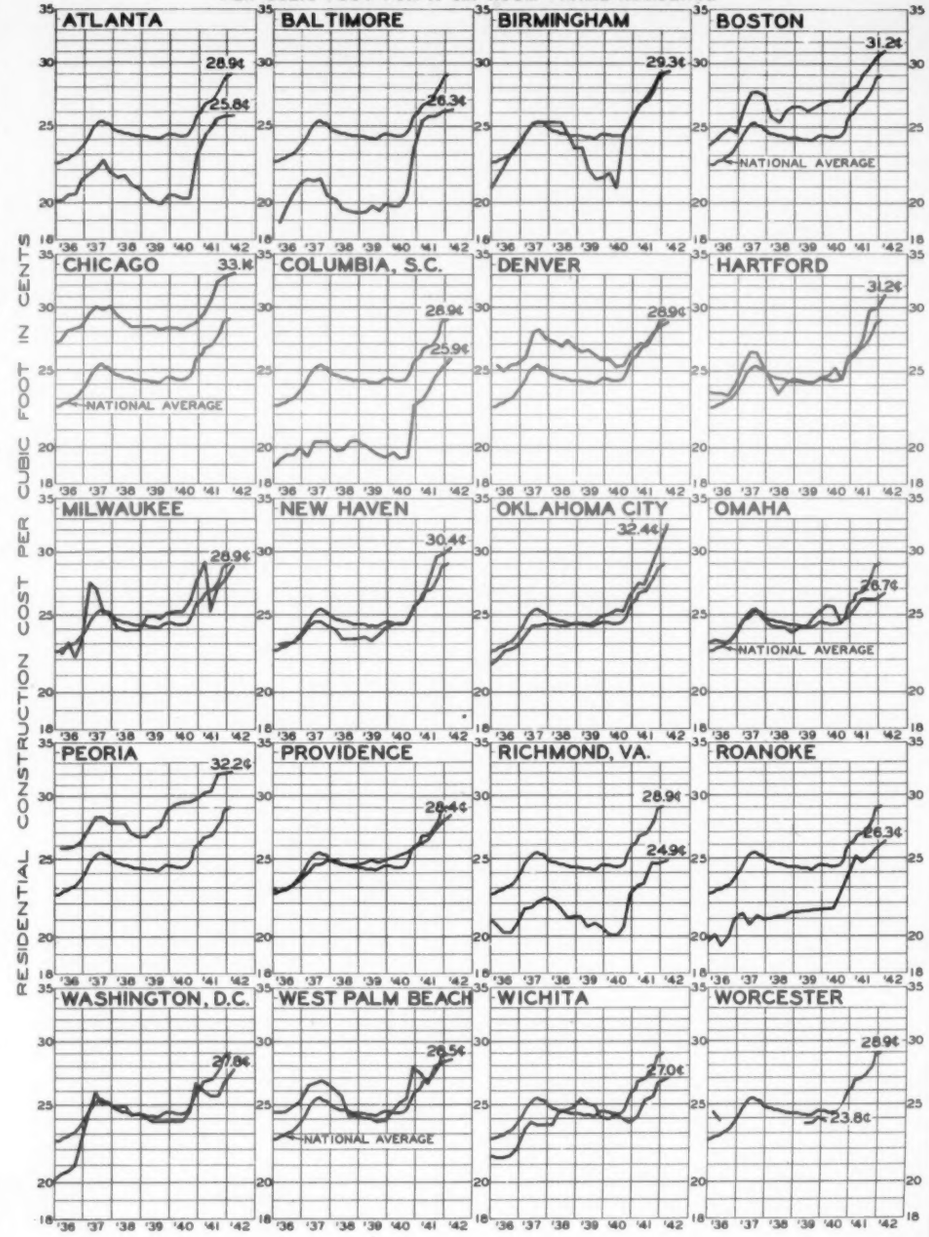
The index was computed by using a moving average for a two-year period with a heavier weighting on the last six months.

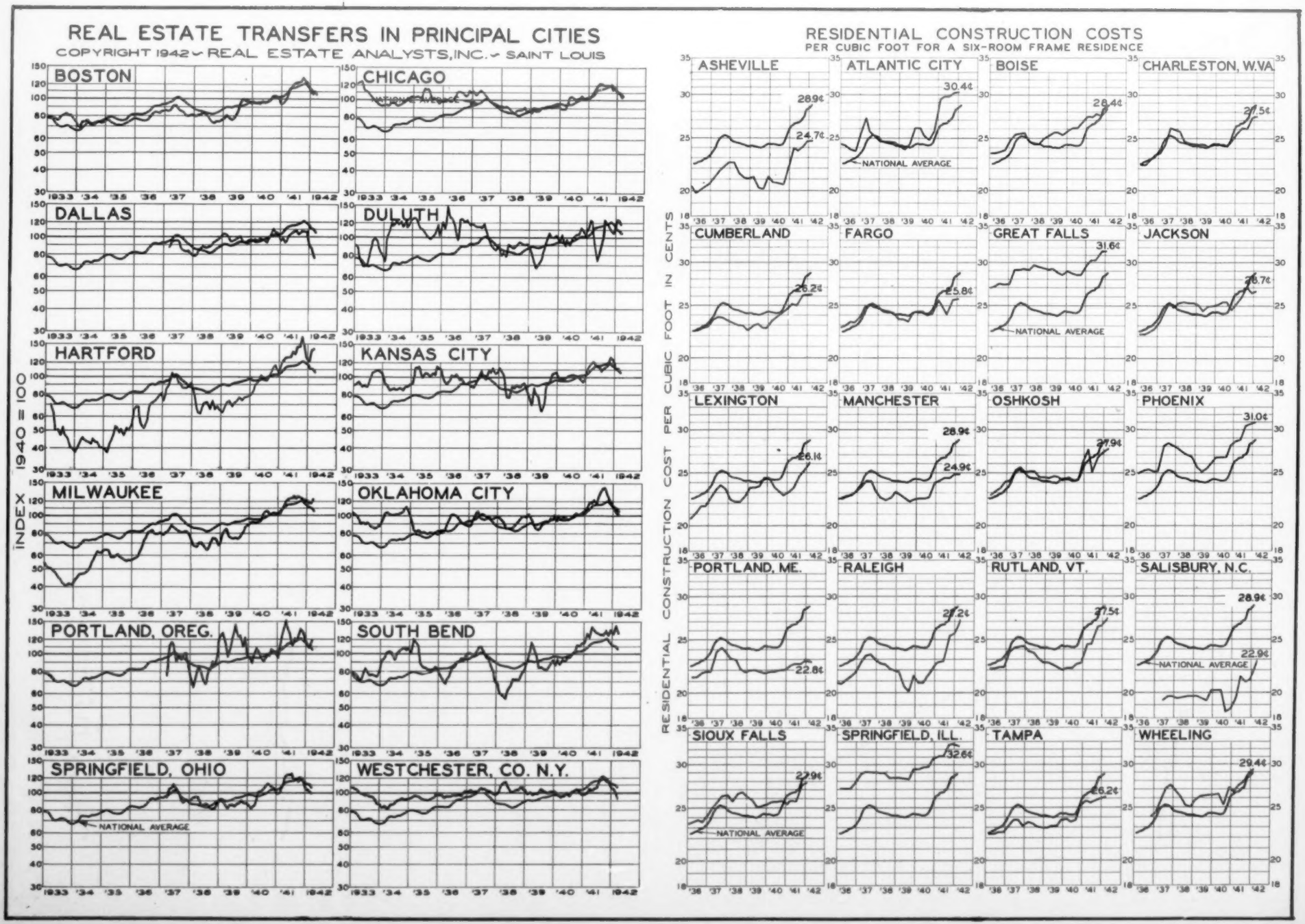
	1941															
	Sept.		Oct.		Nov.		Dec.		1942 Jan.		Feb.		March		April	
	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.
National Index	$8.94	$12.01	$8.98	$12.06	$9.01	$12.10	$9.05	$12.19	$9.10	$12.19	$9.19	$12.20	$9.38	$12.22	$9.50	$12.28
Atlanta	8.49	11.43	8.49	11.53	8.54	11.60	8.57	11.70	8.61	11.70	8.68	11.78	8.78	11.76	8.89	11.73
Baltimore	8.86	11.18	8.91	11.30	8.80	11.40	8.81	11.50	8.86	11.49	9.03	11.60	9.16	11.85	9.50	11.94
Birmingham	7.15	10.03	7.35	10.02	7.54	10.09	7.75	10.13	7.88	10.15	8.14	10.21	8.34	10.24	8.41	10.20
Boston	8.86	14.91	8.98	14.96	9.04	14.98	9.14	15.00	9.22	14.90	9.47	14.71	9.63	14.57	9.81	14.54
Chicago	11.86	13.40	11.83	13.58	11.80	13.71	11.78	13.94	12.00	13.90	12.00	14.10	12.22	14.12	12.62	14.15
Cincinnati	10.60	13.01	10.59	13.10	10.59	13.11	10.59	13.16	10.55	13.12	10.55	13.15	10.72	13.28	10.86	13.23
Cleveland	10.53	13.52	10.64	13.61	10.73	13.73	10.73	13.80	10.68	13.85	10.84	13.90	11.09	13.88	11.16	13.91
Columbus	7.75	11.01	7.76	11.06	7.80	11.10	7.80	11.02	7.74	11.11	7.72	11.04	7.88	11.08	7.88	11.01
Denver	7.90	12.41	7.86	12.42	7.89	12.41	7.89	12.40	7.86	12.36	7.98	12.35	8.03	12.34	8.19	12.39
Detroit	10.10	12.58	10.02	12.62	10.00	12.66	10.03	12.79	9.93	12.91	9.76	13.05	10.30	13.11	10.59	13.23
Houston	8.02	10.19	8.04	10.19	8.09	10.15	8.16	10.12	8.28	10.08	8.28	10.05	8.31	10.02	8.32	10.03
Kansas City	6.53	7.35	6.48	7.48	6.43	7.63	6.47	7.75	6.42	7.86	6.56	7.87	6.62	10.02	6.82	7.88
Los Angeles	10.99	11.30	11.03	11.30	11.19	11.48	11.36	11.45	11.45	11.42	11.59	11.46	11.61	11.41	11.49	11.42
Milwaukee	9.25	10.98	9.41	11.13	9.38	11.16	9.43	11.20	9.42	11.21	9.50	11.21	9.70	11.32	9.80	11.41
Minneapolis	8.21	10.30	8.20	10.26	8.15	10.25	8.10	10.26	8.11	10.21	8.24	10.20	8.29	10.19	8.48	10.25
New Orleans	9.07	10.33	9.14	10.36	9.25	10.41	9.30	10.48	9.25	10.45	9.43	10.55	9.53	10.52	9.76	10.75
New York	12.70	19.39	12.77	19.39	12.69	19.29	12.70	19.21	12.65	19.18	12.60	19.11	12.55	19.03	12.71	19.00
Omaha	7.36	11.60	7.43	11.71	7.46	11.71	7.41	11.75	7.43	11.82	7.45	11.87	7.57	11.84	7.60	11.84
Philadelphia	7.50	14.30	7.58	14.25	7.54	14.21	7.59	14.21	7.60	14.19	7.75	14.17	7.86	14.22	8.14	14.48
Pittsburgh	9.30	12.69	9.40	12.69	9.44	12.60	9.42	12.56	9.38	12.49	9.53	12.41	9.69	12.42	9.72	12.32
Richmond	8.34	11.43	8.30	11.36	8.41	11.30	8.49	11.30	8.55	11.30	8.50	11.33	8.56	11.34	8.58	11.35
St. Louis	9.03	11.03	9.09	11.10	9.15	11.29	9.14	11.48	9.21	11.67	9.45	11.99	9.69	12.21	10.06	12.45
Salt Lake City	8.10	10.70	8.19	10.69	8.17	10.90	8.22	11.01	8.30	10.90	8.59	10.96	8.66	11.10	9.08	11.19
San Francisco	9.90	12.91	9.90	12.90	9.85	12.93	9.99	12.99	10.00	13.00	10.00	13.00	10.08	12.94	10.10	12.89
Seattle	8.41	12.30	8.53	12.57	8.87	12.79	9.04	13.00	9.22	13.10	9.59	13.20	10.08	13.14	10.30	13.14
Tulsa	7.46		7.47		7.53		7.51		7.61		7.56		7.92		8.05	

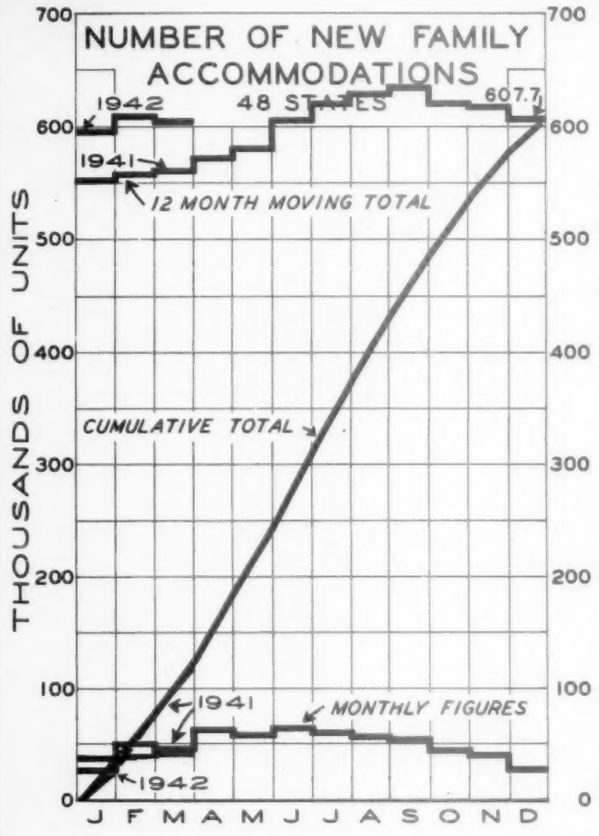
RESIDENTIAL CONSTRUCTION COSTS
PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE



RESIDENTIAL CONSTRUCTION COSTS
PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE




REAL ESTATE TRANSFERS IN PRINCIPAL CITIES
COPYRIGHT 1942 ~ REAL ESTATE ANALYSTS, INC. ~ SAINT LOUIS
INDEX 1940 = 100
BOSTON
CHICAGO
DALLAS
DULUTH
HARTFORD
KANSAS CITY
MILWAUKEE
OKLAHOMA CITY
PORTLAND, OREG.
SOUTH BEND
SPRINGFIELD, OHIO
NATIONAL AVERAGE
WESTCHESTER, CO. N.Y.
1933 '34 '35 '36 '37 '38 '39 '40 '41 1942
RESIDENTIAL CONSTRUCTION COSTS
PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE
RESIDENTIAL CONSTRUCTION COST PER CUBIC FOOT IN CENTS
ASHEVILLE
28.9¢
24.7¢
ATLANTIC CITY
30.4¢
NATIONAL AVERAGE
BOISE
28.4¢
CHARLESTON, W.VA.
27.5¢
CUMBERLAND
26.2¢
FARGO
25.8¢
GREAT FALLS
31.6¢
NATIONAL AVERAGE
JACKSON
26.7¢
LEXINGTON
26.1¢
MANCHESTER
28.9¢
24.9¢
OSHKOSH
27.9¢
PHOENIX
31.0¢
PORTLAND, ME.
22.8¢
RALEIGH
27.2¢
RUTLAND, VT.
27.5¢
SALISBURY, N.C.
28.9¢
22.9¢
NATIONAL AVERAGE
SIOUX FALLS
22.9¢
NATIONAL AVERAGE
SPRINGFIELD, ILL.
32.6¢
TAMPA
26.2¢
WHEELING
29.4¢
'36 '37 '38 '39 '40 '41 '42

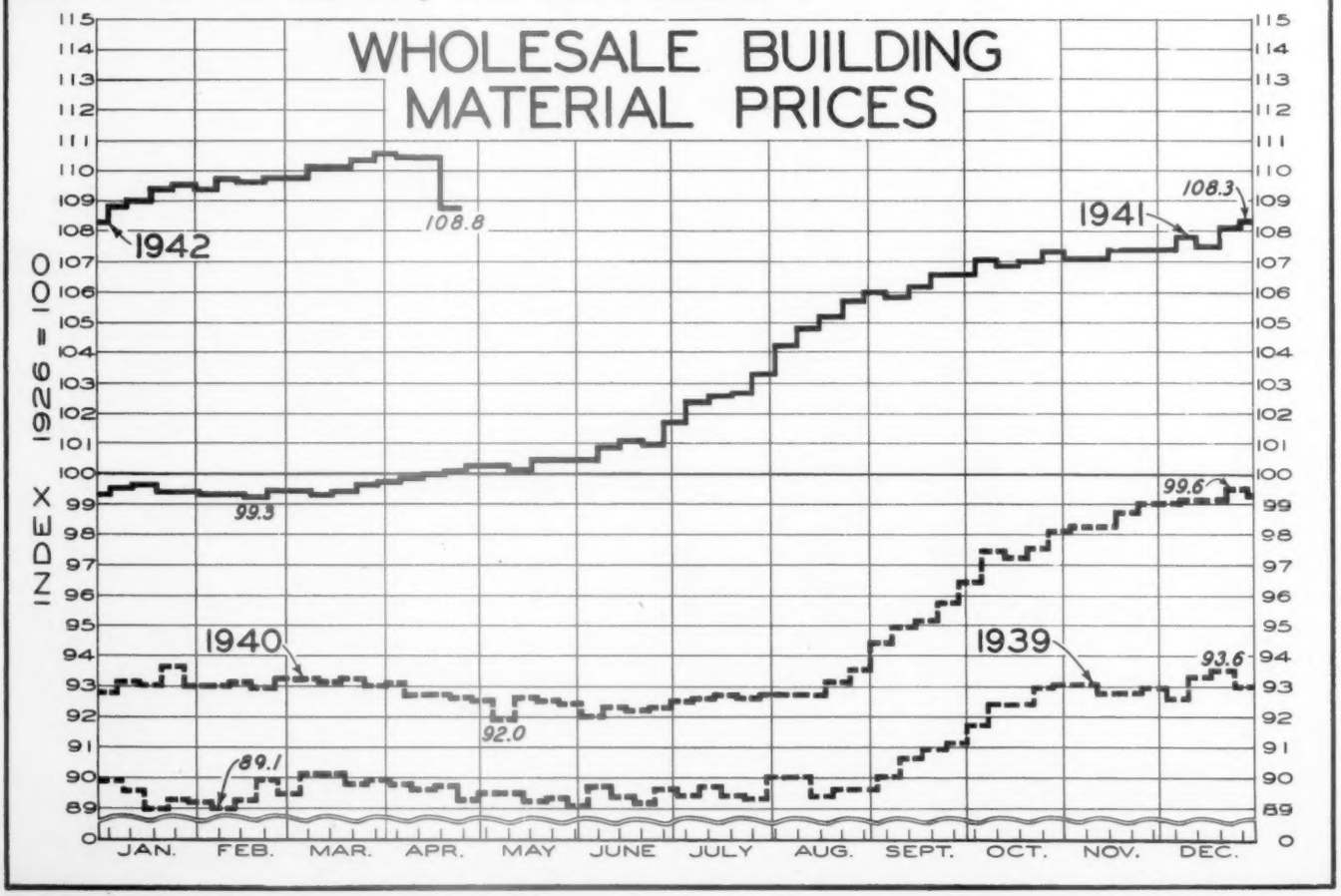


DWELLING UNITS CONSTRUCTED IN 48 STATES
(in thousands of units)

	Monthly			Cumulative			12 Month Moving Total		
	1940	1941	1942	1940	1941	1942	1940	1941	1942
January	24.3	37.7	28.3	24.3	37.7	28.3	459.2	553.4	598.3
February	34.8	39.3	52.1	59.1	77.0	80.4	464.8	557.9	611.3
March	43.4	47.8	43.4	102.5	124.8	123.8	468.8	562.3	606.9
April	52.1	64.1		154.6	188.9		484.3	574.3	
May	51.2	59.3		205.8	248.2		485.9	582.4	
June	40.3	66.4		246.1	314.6		485.6	608.5	
July	49.8	61.8		295.9	376.4		497.3	620.5	
August	49.9	59.2		345.8	435.6		501.0	629.8	
September	52.2	57.3		398.0	492.9		517.5	634.9	
October	59.9	46.5		457.9	539.4		541.3	621.5	
November	41.4	40.1		499.3	579.5		540.2	620.2	
December	40.7	28.2		540.0	607.7		540.0	607.7	

THE number of new family accommodations built in all non-farm communities of the 48 states and the District of Columbia is shown in the table above and on the chart to the left. Cumulative totals and twelve month moving totals for 1942 (black) and 1941 (red) are given..

Wholesale building material prices as compiled by the Bureau of Labor Statistics are charted by weeks on the chart below. The sudden drop this last week is due to price ceilings on a number of articles. In our opinion building material prices after a short period will continue to climb in spite of ceilings, but the rises will be more gradual for the duration of the war than they were before December 7.



APRIL 30
1942

EXECUTIVE DIGEST

OF THE CURRENT REAL ESTATE ANALYST REPORTS

REAL ESTATE ANALYSTS, INC.

Real Estate Economists, Appraisers and Counselors

Roy Wenzlick
Editor

VOLUME XI

Copyright 1942 by REAL ESTATE ANALYSTS, Inc. — Saint Louis

EIGHTEEN FORECASTS

1. Industrial production in the United States has increased very rapidly during the past year. This was possible because we had large reserves of labor, material, and plant capacity. The increase in production during the next twelve months will be slower as increases in the future can come only from increasing plant capacity, stepping up the production of raw materials, and using our labor force more efficiently. At a time when production is increasing more slowly than it has, the output of war materials must increase faster, meaning that we must convert a larger percentage of civilian production to war ends.

2. The railroads have done a splendid job in moving men and materials, but during 1942 the load will become so heavy that priorities will be needed for some shipments.

3. Wages are rising more rapidly than they did in the comparable period of the first World War. They will continue to rise, creating a condition which eventually must be solved by the President and the Congress as a result of popular pressure.

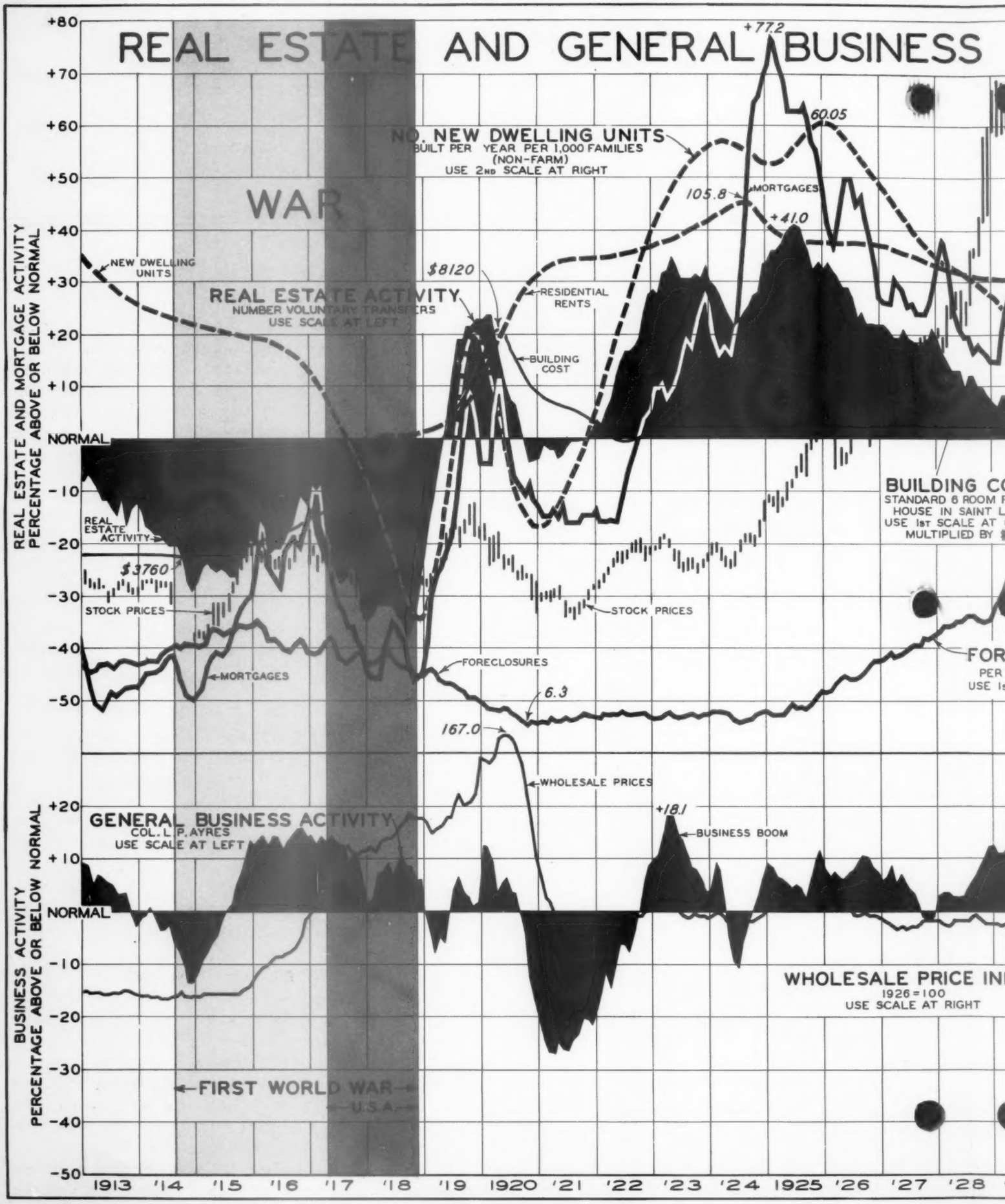
4. Wholesale commodity prices will continue to rise slowly in spite of Government restrictions and will eventually go higher than the figures of the first World War period. The peak will not be reached during the war.

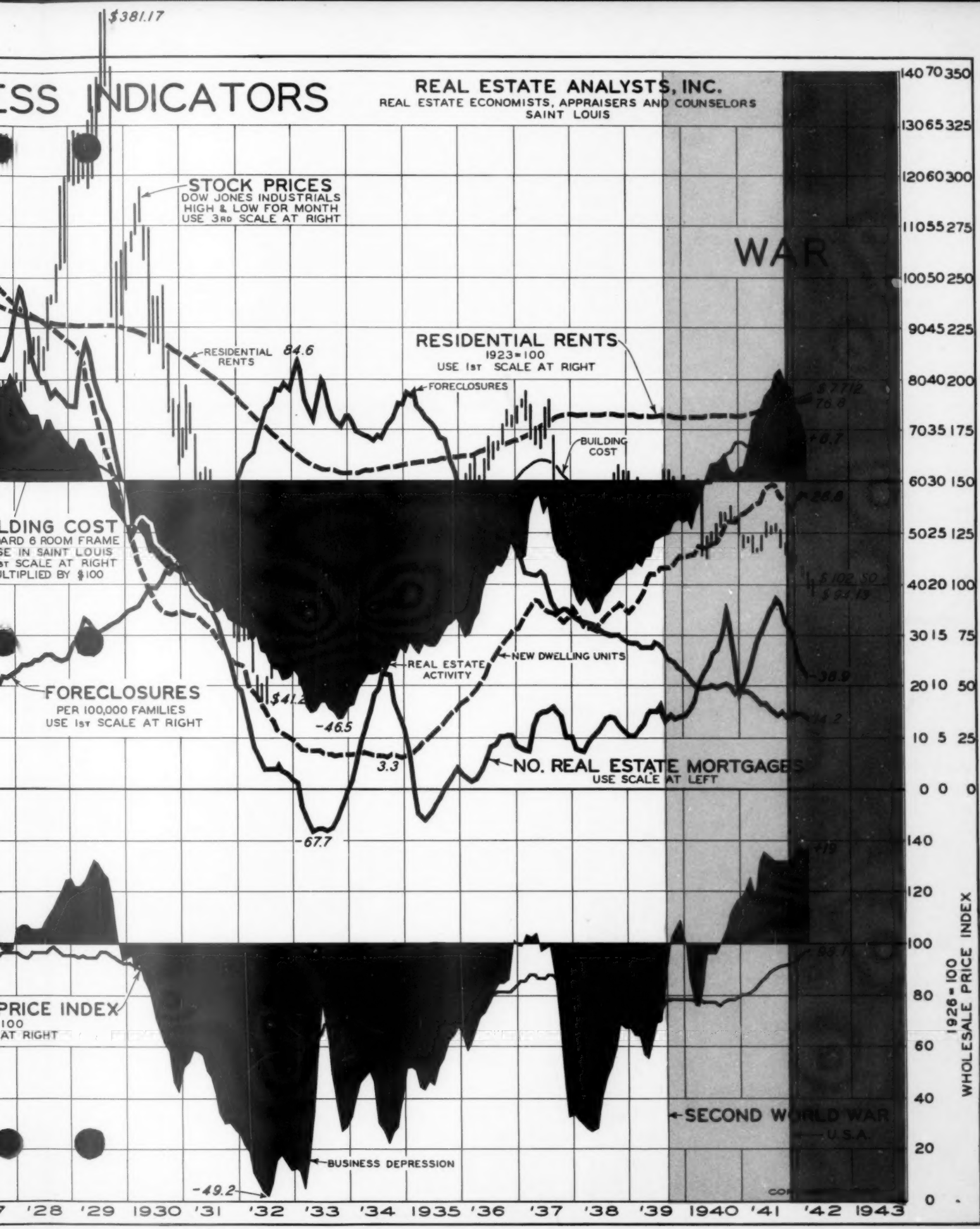
5. The low levels of the prices of common stocks listed on the New York Stock Exchange will continue. "Inflation" will not touch the stock market appreciably in the near future.

6. Voluntary purchase of bonds will not be in sufficient volume to take care of war financing and will be supplanted by a compulsory savings plan.

7. While the marriage rate is very high at the present time and will continue high, it will not create an immediate demand for new homes because of the uncertainty on draft status. The full demand will not be felt until after the war.

8. The tremendous and rapidly growing national debt can be carried only if the United States maintains a high national income. As the height of the national income depends to a large extent on the general price level, we are certain to see a continuation of high prices for many years in the future. We believe the time will come when the price administration in Washington will be as concerned with maintaining prices at a high level, as the Government was in


REAL ESTATE AND GENERAL BUSINESS
WAR
NO. NEW DWELLING UNITS
BUILT PER YEAR PER 1,000 FAMILIES
(NON-FARM)
USE 2ND SCALE AT RIGHT
+77.2
60.05
105.8
MORTGAGES
+41.0
NEW DWELLING UNITS
$8120
REAL ESTATE ACTIVITY
NUMBER VOLUNTARY TRANSFERS
USE SCALE AT LEFT
RESIDENTIAL RENTS
BUILDING COST
REAL ESTATE AND MORTGAGE ACTIVITY
PERCENTAGE ABOVE OR BELOW NORMAL
+80
+70
+60
+50
+40
+30
+20
+10
NORMAL
-10
-20
-30
-40
-50
REAL ESTATE ACTIVITY
$3760
STOCK PRICES
MORTGAGES
FORECLOSURES
6.3
167.0
BUILDING CO
STANDARD 6 ROOM
HOUSE IN SAINT L
USE 1ST SCALE AT
MULTIPLIED BY
FOR
PER
USE 1s
WHOLESALE PRICES
+18.1
BUSINESS BOOM
GENERAL BUSINESS ACTIVITY
COL. L. P. AYRES
USE SCALE AT LEFT
BUSINESS ACTIVITY
PERCENTAGE ABOVE OR BELOW NORMAL
+20
+10
NORMAL
-10
-20
-30
-40
-50
WHOLESALE PRICE IN
1926=100
USE SCALE AT RIGHT
FIRST WORLD WAR
U.S.A.
1913
'14
'15
'16
'17
'18
'19
1920
'21
'22
'23
'24
1925
'26
'27
'28


$381.17
ESS INDICATORS
REAL ESTATE ANALYSTS, INC.
REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS
SAINT LOUIS
STOCK PRICES
DOW JONES INDUSTRIALS
HIGH & LOW FOR MONTH
USE 3RD SCALE AT RIGHT
WAR
RESIDENTIAL RENTS
1923=100
USE 1ST SCALE AT RIGHT
RESIDENTIAL RENTS
84.6
FORECLOSURES
BUILDING COST
LDING COST
ARD 6 ROOM FRAME
SE IN SAINT LOUIS
ST SCALE AT RIGHT
ULTIPLIED BY $100
FORECLOSURES
PER 100,000 FAMILIES
USE 1ST SCALE AT RIGHT
REAL ESTATE ACTIVITY
NEW DWELLING UNITS
$41.2
-46.5
3.3
NO. REAL ESTATE MORTGAGES
USE SCALE AT LEFT
-67.7
PRICE INDEX
100
AT RIGHT
SECOND WORLD WAR
U.S.A.
BUSINESS DEPRESSION
-49.2
1926=100
WHOLESALE PRICE INDEX
140 70 350
130 65 325
120 60 300
110 55 275
100 50 250
90 45 225
80 40 200
70 35 175
60 30 150
50 25 125
40 20 100
30 15 75
20 10 50
10 5 25
0 0 0
140
120
100
80
60
40
20
0
'28 '29 1930 '31 '32 '33 '34 1935 '36 '37 '38 '39 1940 '41 '42 1943